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McCall

Oil and Chemical Corporation

March 28, 2005

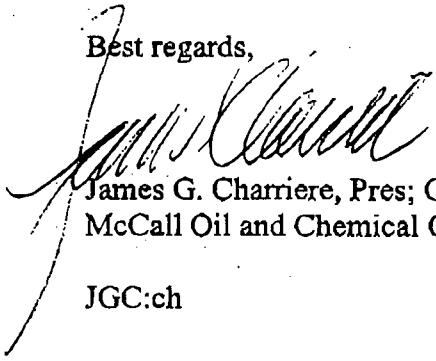
Bullivant Houser Bailey
300 Pioneer Tower
888 S.W. 5th Avenue
Portland, OR 97204-2089

Dear Mr. Gerher:

We acknowledge the assignment of a spur track agreement in effect between Chevron Products Co. and McCall Oil and Chemical Corp. to Paramount of Oregon, Inc.

There have been no payments made on this agreement since March 1, 2005. We agree to forward all future payments to Paramount of Oregon.

Best regards,



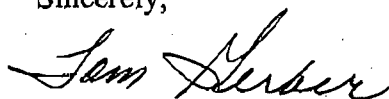

James G. Charriere, Pres; CEO
McCall Oil and Chemical Corp.

JGC:ch

March 25, 2005
Page 2

Thank you very much for your cooperation.

Sincerely,


Thomas A. Gerber 

TAG:lj

Enclosure

cc: Steve Duffy
Steve Farkas
Gary Grote

10144151.1

THOMAS A. GERBER
Direct Dial: (503) 499-4438
E-mail: tom.gerber@bullivant.com

March 25, 2005

McCall Oil
5480 NW Front Ave.
Portland, Or 97210

Re: Acquisition of Chevron Facility at Willbridge by Paramount of Oregon, Inc.

Dear Sir or Madam:

This office represents Paramount of Oregon, Inc., which acquired Chevron's facility at Willbridge. It is our understanding that a lease or other agreement exists between your company and Chevron, and has been assigned to Paramount. The effective date of acquisition was March 1, 2005.

Please forward all future payments to:

Paramount of Oregon, Inc.
c/o of Paramount Petroleum Corp.
14700 Downey Ave.
Paramount, CA 90723.

We also ask that you reply to this letter and advise as to any payments pertaining to any period of time from and after March 1, 2005, and already made to an entity other than Paramount. Please also advise of any deposits or other sums previously paid to Chevron that might be refundable under any circumstances.

Your response at your earliest convenience would be appreciated. To assist in your response, I enclose a stamped, self-addressed envelope.



Chevron

Asphalt

5501 NW Front Ave.
Portland, OR 97210

Tom J. Simons
NW Region Manager
(503) 273-4734

April 18, 2001

Mr. Jim Charriere
President, CEO Oil Division
826 SW 15th Ave
Portland, OR 97205

Chevron - McCall Spur Track Agreement

Dear Jim:

Last week, I received your proposed Easement Agreement to replace the existing Spur Track Agreement between our two companies. I have had a chance to review this document with counsel and conclude that this form of agreement is not the proper direction for Chevron's interest.

Your proposed language creates an easement in favor of McCall, attaching a recordable title interest in both McCall's and Chevron's real property. This is unacceptable and goes beyond what we desire.

What we want to do is continue with the same form of agreement as the 1983 Spur Track Agreement, which is a License Agreement. A license agreement is personal between the two companies, does not create a real property interest and allows for McCall's intermittent and ongoing use of our property. Attached is the License Agreement, which has a very specific form of language, including the term.

Additionally, Chevron is willing to amend the License Agreement to include language transferring McCall's personal interest to a specific entity - which you can name in the agreement. You and I can discuss how you want to frame this language as a modification to item 12 such that you could transfer your rights under this License Agreement with any proposed sale of your property.

Sincerely,

Tom J. Simons
Region Manager - Chevron Asphalt

5 years ~ 1 year
3 years & 6 mos.

LICENSE AGREEMENT

THIS LICENSE AGREEMENT dated for reference purposes as of April __, 2001, is by and between CHEVRON PRODUCTS COMPANY, a division of CHEVRON U.S.A. INC., a Pennsylvania corporation ("Chevron") and McCALL OIL AND CHEMICAL CORPORATION, a Washington corporation ("McCall").

RECITALS

A. Chevron owns certain property located on Front Avenue, Portland, Oregon more particularly described on Exhibit A attached hereto (the "Chevron Property"). McCall owns certain property located on Front Avenue, Portland, Oregon more particularly described on Exhibit B attached hereto (the "McCall Property").

B. Chevron maintains a railroad spur track on the Chevron Property in the location set forth on Exhibit C attached hereto (the "Chevron Spur Track").

C. The Chevron Spur Tract is maintained by Chevron under the terms of a certain agreement dated June 7, 1947 (the "Railroad Agreement") originally between Spokane, Portland and Seattle Railway Company and California Asphalt Corporation and now operative between Burlington Northern, Inc. and Chevron.

D. The Chevron Spur Track connects with a railroad line of the Burlington Northern Railroad and extends across the Chevron Property and connects with a spur track on or in front of the McCall Property, which spur track is in the location set forth on Exhibit D attached hereto (the "McCall Spur Track").

E. The parties previously entered into a Spur Track Agreement, dated August 15, 1983, and Chevron has exercised its rights to cancel the Spur Track Agreement effective as of May 15, 2001.

F. The parties desire to enter into an agreement pursuant to which Chevron grants McCall a license to use the Chevron Spur Track for the purpose of movement of railroad cars between the McCall Property and the railroad line of Burlington Northern Railroad.

NOW, THEREFORE, the parties agree as follows:

1. Chevron hereby grants McCall a personal, revocable and non-assignable license to use the Chevron Spur Track for the movement of loaded and empty rail cars inbound and outbound from the McCall Property.
2. Chevron shall permit employees of McCall and its tenants to have such access to the Chevron Property as is necessary for exercise of the rights granted McCall hereunder, provided that such right of access shall be exercised in such manner as not to interfere with Chevron's operations at the Chevron Property. Nothing herein shall be construed as permitting McCall any rights whatsoever to store, load or unload rail cars on the Chevron Spur Track.
3. Chevron shall not be liable for delay or failure to perform hereunder when such delay or failure is attributable to acts of God, strikes, differences with workmen, lockouts, fires, floods, acts or regulation by any governmental authority, war conditions in either the United States or foreign countries, accidents, delays, lease cancellations, or other like or different causes beyond Chevron's control. In the event of major damage to or destruction of the Chevron Spur Track due to any of the above listed causes, Chevron may, but shall have no obligation to, repair or replace the Chevron Spur Track. In the event Chevron shall fail to undertake to repair or replace the Chevron Spur Track promptly after such damage or destruction, McCall may terminate this Agreement and McCall shall have no other right or remedy against Chevron for such failure.

4. Chevron shall, at Chevron's expense, undertake all usual and normal repair and maintenance of the Chevron Spur Track, but Chevron shall have no liability to McCall or any other person for any loss, damage or delay arising from the condition or state of repair of the Chevron Spur Track, provided Chevron shall promptly commence and use reasonable diligence in the repair or maintenance thereof after obtaining knowledge of any defective or unsafe condition. Chevron reserves the right to rearrange or reconstruct the Chevron Spur Track or modify the elevation thereof whenever necessary or desirable in connection with the improvement of its property. In such event, McCall shall bear the cost to rearrange and reconnect the McCall Spur Track to the Chevron Spur Track.

5. McCall shall indemnify, defend and hold Chevron, its agents and employees, harmless from and against any and all expense (including attorneys' fees), liability and claims of whatsoever kind and nature for damage to property (including property of McCall), or for injury to or death of any person directly or indirectly arising or alleged to arise out of or in any way connected with the exercise of any right granted McCall hereunder.

6. If any product spill occurs in connection with exercise of any right granted McCall hereunder, McCall shall promptly notify Chevron and the appropriate governmental authorities and shall take immediate action to clean up the spill and prevent further damage. Upon receipt of said notification, Chevron shall have the right, but not the obligation, at Chevron's option, to provide or cause to be provided to McCall such additional manpower, equipment and material as in Chevron's sole discretion are deemed reasonable to complete the clean-up in a satisfactory manner. McCall shall pay and be responsible for, and McCall's indemnity obligation hereunder shall include, but not be limited to, all costs and expenses incurred in connection with the clean-up operations, including reimbursement to Chevron for all its costs and expenses, and all fines, charges, fees or judgments imposed or levied by any federal, state or local governmental agency as a result of said spill, except in the event the spill

resulted solely from any act or omission on the part of Chevron or Chevron's employees.

7. The term of this Agreement shall commence on May 15, 2001, and end on June 30, 2002 and shall continue thereafter unless terminated by either party effective as of such latter date or as of the end of any calendar month thereafter by giving the other party at least sixty (60) days' prior written notice of termination.

8. In the event that McCall shall default in performance of any of its obligations hereunder and shall fail to cure such default within ten (10) days after written notice of default from Chevron, Chevron may terminate this Agreement forthwith.

9. In the event that the Railroad Agreement referred to above between Chevron and Burlington Northern, Inc. granting Chevron the right to use the Chevron Spur Track expires or is terminated by either party thereto, Chevron may terminate this Agreement by giving McCall at least ten (10) days' prior written notice of termination.

10. McCall shall pay to Chevron for the license herein granted the sum of \$48,000 per year, in four equal quarterly installments each in the amount of \$12,000. The first installment is due on signing this Agreement, and shall be prorated based on the fraction the numerator of which is the number of days between May 15, 2001 and July 1, 2001, and the denominator of which is 90. Thereafter, the installments shall be due on the first day of each calendar quarter, commencing July 1, 2001.

11. Written notices to Chevron hereunder shall, until further notice by Chevron, be addressed to Chevron at 5501 NW Front Avenue, Portland, Oregon 97210, attention Region Manager.

Written notices to McCall hereunder shall, until further notice by McCall, be addressed to McCall at 808 S.W. Fifteenth Avenue, Portland, Oregon 97205.

12. The license granted hereunder is personal to McCall, and McCall shall not, without the prior written consent of Chevron, assign this Agreement or any interest herein (either voluntarily or by operation of law) by assignment or other arrangements having similar effect, or let or sublet any part or the whole of this Agreement or any interest herein.

13. This Agreement supersedes and takes precedence over any prior agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, these presents are signed by the parties hereto as of the day and year first above written.

CHEVRON PRODUCTS COMPANY
A division of Chevron U.S.A. Inc.

By _____
Title _____

**McCALL OIL AND CHEMICAL
CORPORATION**

By _____
Title _____

ATTACHED EXHIBITS

Exhibit A-Description of Chevron Property
Exhibit B-Description of McCall Property
Exhibit C-Location of Chevron Spur Track
Exhibit D-Location of McCall Spur Track